

**Government of the District of Columbia  
Office of the Chief Financial Officer**

**Natwar M. Gandhi**  
Chief Financial Officer



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CHAIRMAN CROPP

**MEMORANDUM**

**TO:** The Honorable Linda W. Cropp  
Chairman, Council of the District of Columbia

**FROM:** Natwar M. Gandhi  
Chief Financial Officer

**DATE:** MAY -5-2005

**SUBJECT:** Fiscal Impact Statement: "Uniform Real Property Electronic Recording Act of 2005"

**REFERENCE:** Bill Number 16-173 as Introduced

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**Conclusion**

Funds are sufficient in the FY 2005 and the Mayor's proposed FY 2006 through FY 2009 budget and financial plan. No additional staff or resources will be required. The District already accepts and files land records by electronic means.

**Background**

With the advent of an electronic means of communication and information transfer, business models and methods for doing business have evolved to take advantage of the speed, efficiencies, and cost benefits of electronic technologies. These developments have occurred in the face of existing legal barriers to the legal efficacy of records and documents which exist solely in electronic media. The legal requirement that information must be contained or set forth in writing derives from the statute of frauds affecting the enforceability of an agreement or from record retention statutes that call for keeping the paper records of a transaction.

The District's Recorder of Deeds (ROD) has been recording deeds by electronic medium since 2001. In that year less than 1 percent of all deeds recorded were by electronic media. Currently, approximately 20 percent of deeds in the District are recorded by electronic filing.

The Uniform Electronic Transactions Act (UETA) provides a legal framework for electronic transactions. It gives electronic signatures and records the same validity and

enforceability as manual signatures and paper-based transactions. This model act was adopted by the National Conference of Commissioners on Uniform State Laws (NCCUSL) in 1999. ROD and Deed Recordation operations in other jurisdictions have generally accepted their authority under UETA.

The proposed legislation establishes in local law a specific authority and clarity concerning electronic deed recordation in the District of Columbia. The proposed legislation does not retire any existing law or procedures, but makes an enhancement to District ROD operations. Although Maryland and Virginia have not adopted such local law, other states such as Texas have begun developing state-specific legislation authorizing electronic deed recordation.

### **Financial Plan Impact**

Funds are sufficient in the FY 2005 and the Mayor's proposed FY 2006 through FY 2009 budget and financial plan to implement the provisions of the proposed legislation. No additional staff or resources will be required.